

Message Text

CONFIDENTIAL

PAGE 01 QUITO 07561 141704Z

64

ACTION ARA-10

INFO OCT-01 ISO-00 FEA-01 ERDA-05 AID-05 CEA-01 CIAE-00

CIEP-01 COME-00 DODE-00 EB-07 FPC-01 H-02 INR-07

INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-04 USIA-06

SAM-01 OES-03 SP-02 SS-15 STR-04 TRSE-00 DEAE-00

SNM-02 PA-01 PRS-01 /094 W
----- 099513

R 141631Z OCT 75

FM AMEMBASSY QUITO

TO SECSTATE WASHDC 7591

INFO AMCONSUL GUAYAQUIL

C O N F I D E N T I A L QUITO 7561

E.O. 11652: GDS

TAGS: ENRG EFIN EAID SNAR EC

SUBJECT: FINANCE MINISTER SAYS GOE SEEKING SOLUTION PETROLEUM
PROBLEMS; LOANS FROM U.S. BANK CONSORTIUM

1. AMBASSADOR, DCM AND USAID MISSION DIRECTOR PAID COURTESY
CALL ON NEW FINANCE MINISTER JAIME MORILLO OCTOBER 13. DURING
COURSE OF CALL FINMIN SAID THAT GOE WAS CURRENTLY WORKING WITH
TEXACO-GULF TO SOLVE ALL OUTSTANDING PROBLEMS IN ONE PACKAGE
SO THAT ECONOMIC DIFFICULTIES OF PAST YEAR WOULD NOT RECUR.
HE CHARACTERIZED SUCH A SOLUTION AS "ABSOLUTELY KEY" FOR THE
GOVERNMENT. HE ALSO SAID GOE WORKING ON REVISION OF
HYDROCARBONS LAW IN ORDER TO ATTRACT NEW FOREIGN INVESTMENT
AND "AMERICAN COMPANIES" IN EXPLORATION AND DEVELOPMENT.

2. FINMIN ALSO VOLUNTEERED THAT GOE CURRENTLY DISCUSSING
WITH CONSORTIUM OF US BANKS (CHASE, BANK OF AMERICA, MANU-
FACTURERS HANOVER, FNCB, AND WELLS FARGO) FOR LOAN TO BE
USED FOR HEAVY EQUIPMENT IMPORTS FOR CONSTRUCTION AND
POWER AS WELL AS FOR GENERAL BUDGET SUPPORT.

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 QUITO 07561 141704Z

3. MORILLO EXPRESSED INTEREST IN LEARNING ABOUT PRESENT

ACTIVITIES OF THE DOWNWINDING AID PROGRAM INCLUDING THE NARCOTICS PROGRAM WITH CUSTOMS POLICE AND THE RESTRUCTURING OF EXISTING LOANS IN THE PIPELINE. HE MENTIONED VERY FAVORABLY AID ACTIVITIES OF THE MID-60'S IN CREATING SUCH INSTITUTIONS AS THE CORPORACION FINANCIERA NACIONAL AND CENDES. HE HAD WORKED CLOSELY WITH EACH.

4. COMMENT: THE COURSES OF ACTION OUTLINED IN PARA 1 AND 2 HAVE TO DO WITH STABILIZING THE ECONOMY FROM THE DETERIORATION WHICH WAS A FACTOR IN THE SEPTEMBER 1 COUP ATTEMPT AND SUBSEQUENT POLITICAL MANEUVERINGS AGAINST THE RODRIGUEZ GOVERNMENT. HAVING NOW TAKEN FIRM MEASURES TO PUT A STOP TO THE RECENT POLITICAL/MILITARY MACHINATIONS, THE GOE SEEMS TO BE ON A REASONABLE COURSE IN THE ECONOMIC AREA. THE BANK BORROWING, HOWEVER, IS A SHORT TERM STOP-GAP MEASURE AIMED MORE TOWARD IMMEDIATE POLITICAL NEEDS THAN LONG TERM ECONOMIC REQUIREMENTS.

5. THE INTERVIEW WAS CORDIAL AND SUPPORTED OUR IMPRESSION THAT MORILLO IS A VERY INTELLIGENT, ABLE YOUNG MAN WHO WILL BE FAR EASIER TO DEAL WITH THAN HIS PREDECESSOR.
BREWSTER

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PETROLEUM INDUSTRY, DIPLOMATIC DISCUSSIONS, BANK LOANS
Control Number: n/a
Copy: SINGLE
Draft Date: 14 OCT 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GolinoFR
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975QUITO07561
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D750356-0254
From: QUITO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19751055/aaaabxcf.tel
Line Count: 83
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION ARA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: GolinoFR
Review Comment: n/a
Review Content Flags:
Review Date: 09 SEP 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <09 SEP 2003 by SmithRJ>; APPROVED <06 NOV 2003 by GolinoFR>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: FINANCE MINISTER SAYS GOE SEEKING SOLUTION PETROLEUM PROBLEMS; LOANS FROM U.S. BANK CONSORTIUM
TAGS: ENRG, EFIN, EAID, SNAR, EC, US, TEXACO, GULF, (MORILLO, JAIME)
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006